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CITY OF THOUSAND OAKS, CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2009

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CITY OF THOUSAND OAKS

JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page Number</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Report on Compliance with Requirements Applicable to Each Major Program, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133 .....	3
Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2009 .....	5
Notes to the Schedule of Expenditures of Federal Awards .....	7
Schedule of Findings and Questioned Costs for the Fiscal Year Ended June 30, 2009 .....	8
Schedule of Prior Year Findings and Questioned Costs for the Fiscal Year Ended June 30, 2008 .....	10



CERTIFIED PUBLIC ACCOUNTANTS

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  - Donald L. Parker, C.P.A.
  - Michael K. Chu, C.P.A.
  - David E. Hale, C.P.A., C.F.P.
- A Professional Corporation*
- Donald G. Slater, C.P.A.
  - Richard K. Kikuchi, C.P.A.
  - Susan F. Matz, C.P.A.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Thousand Oaks, California, as of and for the year ended June 30, 2009, which collectively comprise the City of Thousand Oaks, California's basic financial statements and have issued our report thereon dated November 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Thousand Oaks, California's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Thousand Oaks, California's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Thousand Oaks, California's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Thousand Oaks, California's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Thousand Oaks, California's financial statements that is more than inconsequential will not be prevented or detected by the City of Thousand Oaks, California's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 09-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Thousand Oaks, California's internal control.



To the Honorable Mayor and Members of the City Council  
City of Thousand Oaks, California

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described in the accompanying schedule of findings and questioned costs is not a material weakness.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Thousand Oaks, California's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Lamer, Soll & Loughard, LLP*

November 13, 2009



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and the Members of the City Council  
City of Thousand Oaks, California

**Compliance**

We have audited the compliance of the City of Thousand Oaks, California, (Thousand Oaks) with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. City of Thousand Oaks's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our audit procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.



To the Honorable Mayor and the Members of the City Council  
City of Thousand Oaks, California

A *control deficiency* in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiency in the internal control over compliance that we consider material weakness as defined above.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the City as of and for the year ended June 30, 2009, and have issued our report thereon dated November 13, 2009. Our audit was performed for the purpose of forming an opinion of the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Lance, Soll & Loughard, LLP*

November 13, 2009

**CITY OF THOUSAND OAKS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct Programs:			
Community Development Block Grant	14.218	B-07-MC-06-05-49	\$ 879,502
<b>Total U.S. Department of Housing and Urban Development</b>			<b>879,502</b>
<b><u>U.S. Department of Justice</u></b>			
Direct programs:			
Federal Asset Seizure	16.000	CA056001	27,335
<b>Total U.S. Department of Justice</b>			<b>27,335</b>
<b><u>U.S. Department of Housing And Community Development:</u></b>			
Direct Program:			
Tenant Based Assistance Program	14.239	05-HOME-2124	168,004
<b>Total U.S. Department of Hosing and Community and Development</b>			<b>168,004</b>
<b><u>U.S. Department of Health and Human Services:</u></b>			
Direct Program:			
Senior Nutrition Program	93.045	3C-010-070812-R1	33,976
Passed though State of California-Department of Education Child Care and Development Block Grant	93.575	56-2196-00-7	2,160
<b>Total U.S. Department of Health and Human Services</b>			<b>36,136</b>
<b><u>U.S. Department of Transportation</u></b>			
Passed through Caltrans			
Federal Highway Administration:			
Highway Planning and Construction*			
Median Landscaping	20.205	STPL-5392-(030)	268,520
Wendy Soundwall	20.205	STIP	53,398
Class I Bike Path	20.205	CML-5392(032)	5,887
Signal Synchronization	20.205	CML-5392(033)	24,392
Passed through Ventura County Transportation Commission:			
Federal Transportation Administration:			
Federal Transit Formula Grant*			
Community Transportation Center Building	20.507	CA90-Y253/Y400	268,427
Senior Shuttle To Kaiser	20.507	CA90-X987/X177	55,912
Bus Stop Enhancements	20.507	CA90-Y365	3,458
Bus Special Services	20.507	CA90-Y365	347,515
Public Outreach & Marketing	20.507	CA90-Y253	8,273
Bus Wash System	20.507		4,952
Bus Lift	20.507		4,912
Inner City ADA Para-Transport Via Taxis	20.507	CA90-00177	45,000
<b>Total U.S. Department of Transportation</b>			<b>1,090,646</b>

**CITY OF THOUSAND OAKS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State of California Office of Emergency Services: Mass Notification System	97.067	2008-EMPG	<u>20,000</u>
<b>Total U.S. Department of Homeland Security</b>			<u><b>20,000</b></u>
<b>Total Federal Expenditures</b>			<u><b>\$ 2,221,623</b></u>

\* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year from the Home Grant was \$168,004.



NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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**Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**a. Scope of Presentation**

The accompanying schedule presents only the expenditures incurred by the City of Thousand Oaks, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

**b. Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

CITY OF THOUSAND OAKS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:

- Significant deficiencies identified? ☒ yes ☐ no
- Significant deficiencies identified that are considered to be material weaknesses? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major programs:

CFDA Number(s)

20.205  
20.507

Name of Federal Program or Cluster

Highway Planning and Construction  
Federal Transit Formula Grant

Dollar threshold used to distinguish between type A and type B program \$300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**CITY OF THOUSAND OAKS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding 09-1**

**Audit Adjustments**

During our audit we proposed two audit adjustments which we consider to be significant to the financial reporting process. Adjustments were required for sales taxes and grants.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**CITY OF THOUSAND OAKS**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**SECTION I - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION II - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.